

REMARKS

The examiner provisionally rejected Claims 4, 8, 13, and 19 on the ground of non-statutory obviousness-type double patenting as being unpatentable over claims 8, 11, 19, and 22 of copending Application No. 09812225. The examiner stated:

**Claim 4 of the instant application recites "the method wherein the electronic market maintains the displayable quote size for the eligible market maker for the security traded in the market," and claim 22 of the copending application recites substantially the same limitations as claim 4 of the instant application. Claim 8 of the instant application recites "the method wherein the odd-lot execution manager is a separate mechanism for processing and executing orders distinct from normal units of trading." Claim 8 of the copending application recites substantially the same limitations except that claim 8 of copending application, in the preamble, recites "wherein routing received odd lot order occurs in an odd-lot manager". Further, Claim 13 of the instant application recites substantially the same limitations as claim 19 of the copending application. And lastly, claim 19 of the instant application recites substantially the same limitations as claim 11 of the copending application.**

Applicant will consider submission of a timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) to overcome an actual or provisional rejection upon an indication of allowable subject matter. Alternatively, Applicant will consider further argument based on the current state of the claims at the time of indication of allowable subject matter.

The examiner rejected Claims 1-18, 20-22 under 35 U.S.C. 102(e) as being anticipated Samukawa et al (US PUB No. 2002/0023043) hereinafter Samukawa.

The examiner stated:

**Re claim 1. Samukawa discloses a method for trading odd-lots of a security in an electronic market for trading securities, comprises executing an odd-lot order with an eligible market participant (see abstract); and updating an odd-lot position of the eligible market participant to reflect the executed odd-lot order; determining when the odd-lot position for the eligible market participant corresponds to a round lot size (see pg 1 paras 005-0006); and decrementing the odd-lot position by the round lot size (i.e., see S9-S15 fig.2, especially S13 "accept the odd lot buying order until m becomes 0, reject otherwise", meaning that Samukawa works through an iterative process with the ideal goal of reaching a "buying order insufficiency" of zero for odd lots. Thus, it is inherent that the system has a way to constantly decrement the odd-lot exposure information of a participant once certain orders are executed, or else this limit would never reach zero).**

Claim 1 is distinct over Samukawa since the reference neither describes nor suggests ... updating an odd-lot position of the eligible market participant to reflect the executed odd-lot order determining when the odd-lot position for the eligible market participant corresponds to a round lot size; and decrementing the odd-lot position by the round lot size.

The examiner argues that Samukawa teaches: "decrementing the odd-lot position by the round lot size (i.e., see S9-S15 fig.2, especially S13 "accept the odd lot buying order until m becomes 0, reject otherwise", meaning that Samukawa works through an iterative process with the ideal goal of reaching a "buying order insufficiency" of zero for odd lots. Thus, it is inherent that the system has a way to constantly decrement the odd-lot exposure information of a participant once certain orders are executed, or else this limit would never reach zero)."

Applicant contends that Samukawa neither describes nor suggests the recited odd-lot exposure limit. Accordingly, nowhere in the reference does the reference describe or suggest ... determining when the odd-lot position for the eligible market participant corresponds to a round lot size; and decrementing the odd-lot position by the round lot size .... The examiner has failed to show why "it is inherent that the system has a way to constantly decrement the odd-lot exposure information of a participant once certain orders are executed, or else this limit would never reach zero).", since the examiner has not shown that inherently Samukawa teaches the claimed odd lot exposure limit in the first instance.

In contrast, Samukawa teaches:

**[0005] A method of the first aspect of the present invention for supporting a trading of an odd lot that is less than a round lot stock number determined in every stock company comprises the steps of: receiving from a customer, an odd lot selling order or an odd lot buying order for a particular stock company and storing information of the order into a storage device (for example, step S5 in FIG. 2, or step S35 in FIG. 10); judging whether or not the number of total stocks of the odd lot selling orders or the number of total stocks of the odd lot buying orders received at the receiving step is over a threshold value that is less than the round lot stock number and is determined by a predetermined rule (for example, step S9 in FIG. 2 or step S39 in FIG. 10); and if it is judged at the judging step that the number of total stocks of the odd lot selling orders or the number of total stocks of the odd lot buying orders is over the threshold, generating a selling order of the round lot stock number defined for the particular stock company for the odd lot selling orders or a buying order of the round lot stock number defined for the particular stock company for the odd lot buying orders and outputting information of the order (for example, step S11 in FIG. 2, or step S41 in FIG. 10).**

In Samukawa, the reference teaches to total the number of odd-lot stocks and generate a round lot order ("... judging whether or not the number of total stocks of the odd lot selling orders or the number of total stocks of the odd lot buying orders ... is over a threshold value that is less than the round lot stock number and is determined by a predetermined rule (for example, step S9 in FIG. 2 or step S39 in FIG. 10); and if ... the number of total stocks of the odd lot ... is over the threshold, generating a selling order of the round lot stock number defined for the particular stock company for the odd lot selling orders or a buying order of the round lot stock number defined for the particular stock."

In contrast, claim 1 is directed to a mechanism to insure fairness to market makers in handling odd lot orders by the provision of the odd-lot exposure limit, and in particular by how odd lots are handled by determining when the odd-lot position for the eligible market participant corresponds to a round lot size and decrementing the odd-lot position by the round lot size.

No such feature is disclosed in Samukawa. Therefore, Samukawa neither describes nor suggests claim 1.

Dependent claims 2-12 add patentably distinct features. Claim 5, which depends from claim 4 recites that the displayable quote size for the market maker in the security is decremented by one round lot when decrementing the position of the eligible market participant. Samukawa neither describes nor suggests this feature.

Claim 11 further limits claim 1 and recites resetting the odd-lot position for the eligible market participant if the eligible market participant changes its corresponding displayed quote. Samukawa neither describes nor suggests this feature.

The examiner contends that

**Re claims 11. Samukawa further discloses the method, further comprising:**  
**resetting the odd-lot position for the eligible market participant if the eligible market participant changes its corresponding displayed quote (i.e., see pg 2 paras 0025, "the counter terminal and the customer terminal display the current price quotation on the display device", thus since Samukawa displays current price quotation, it is inherent that Samukawa has a mechanism to update quoted price, and if the market participant makes any changes to his displayed quote, Samukawa would reset the odd-lot position of the corresponding displayed quote).**

At the outset Samukawa neither describes nor suggests the odd-lot position, as claimed.

Rather, Samukawa discloses:

[0025] Next, a processing flow of the odd lot broker system 3, which processes the odd lot buying orders, is explained using FIG. 2 to FIG. 9. First, the stock price quotation providing unit 35 of the odd lot broker system 3 receives the current prices of predetermined stocks from the securities exchange system 7 (step S1). The predetermined stocks are stocks for which the odd lot order may be made. When the stock price quotation providing unit 35 of the odd lot broker system 3 receives information concerning the current prices of the predetermined stocks, it temporarily stores it into the storage device. Then, the stock price quotation providing unit 35 provides the current price quotation received from the securities exchange system 7 for investors via the counter terminal 9 and the customer terminal 11 and 13 (step S3). For example, in response to accesses to the odd lot broker system 3 by the investors and etc., the stock price quotation providing unit 35 transmits the current price quotation to the counter terminal 9 and the customer terminal 11 and 13, which are sources of the accesses. The counter terminal 9 and the customer terminal 11 and 13 displays the current price quotation on the display device. The same processing at the step S1 and S3 is also performed by the same trading brokers for their customers.

Claim 11 requires resetting the odd-lot position for the eligible market participant if the eligible market participant changes its corresponding displayed quote. However Samukawa neither describes nor suggests any resetting of a displayed quote. Rather, given Samukawa's system which seeks to aggregate odd lots into trading units, Samukawa as such does not mention an eligible market participant with corresponding displayed quote. Rather, the displayed quote are merely "...the current prices of predetermined stocks from the securities exchange system ..." [Samukawa Para. 25]

Claim 12 further limits claim 1 and recites resetting the odd-lot position for the eligible market participant at the close of trading on the market. Samukawa neither describes nor suggests this feature.

Re claim 12. Samukawa further discloses the method further comprising: a process to reset the odd-lot position for the eligible market participant at the close of trading on the market (i.e., see pg 2 paras 0025, "the counter terminal and the customer terminal display the current price quotation on the display device", thus since Samukawa displays current price quotation, it is inherent that Samukawa has a mechanism to update quoted price, and at the close of trading, Samukawa would reset the odd-lot position of the corresponding displayed quote).

For analogous reasons as discussed in claim 11, Samukawa neither describes nor suggests this feature. Samukawa neither describes nor suggests resetting of a displayed quote. Indeed, Samukawa neither describes nor suggests what happens at the end of the day. Hence it would not necessarily follow that any of the features of claim 12 are inherent in Samukawa.

Claim 13 is directed to an electronic market ... including a computer for executing an order execution/routing manager process to execute non-directed orders against quoting market participant's quotes/orders based on a priority.

Claim 13 also includes ... an odd-lot execution process that executes the odd-lot portion of the mixed order or the odd-lot order ... including ... a process to update an odd-lot position of the eligible market participant to reflect the executed odd-lot order and determine when the odd-lot position for the eligible market participant corresponds to a round lot size and a process to decrement the odd-lot position by the round lot size. Claim 13 distinguishes at least for the reasons discussed in claim 1.

Claim 16, which calls for: "a process to reset the odd-lot position for the eligible market participant at the close of trading on the market.", further distinguishes for analogous reasons as in claim 12.

Claim 18, which calls for: "a round lot portion of the mixed lot is executed against the eligible market participant's displayed quote.", further distinguishes for analogous reasons as in claim 11.

Claim 20, which calls for ... instructions ... to ... update an odd-lot position of the eligible market participant to reflect the executed odd-lot order and determine when the odd-lot position for the eligible market participant corresponds to a round lot size and decrement the odd-lot position by the round lot size, distinguishes at least for the reasons discussed in claim 1.

It is believed that all the rejections and/or objections raised by the examiner have been addressed.

Canceled claims, if any, have been canceled without prejudice or disclaimer.

Any circumstance in which the applicant has (a) addressed certain comments of the examiner does not mean that the applicant concedes other comments of the examiner, (b) made

Applicant : Peter Martyn and Karen Peterson  
Serial No. : 10/001,240  
Filed : November 14, 2001  
Page : 11 of 11

Attorney's Docket No.: 09857-072001

arguments for the patentability of some claims does not mean that there are not other good reasons for patentability of those claims and other claims, or (c) amended or canceled a claim does not mean that the applicant concedes any of the examiner's positions with respect to that claim or other claims.

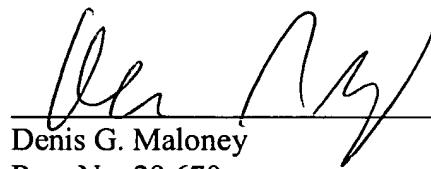
In view of the foregoing remarks, applicant respectfully submits that the application is in condition for allowance and such action is respectfully requested at the examiner's earliest convenience.

Enclosed is an Information Disclosure Statement that sets forth references cited in co-pending application 09/812,225 US Publication No. US-2002-0133454-A1. No combination of these references with the cited references describes or suggests the claimed invention.

Enclosed is a \$120 check for the Petition for Extension of Time fee. Please apply any other charges or credits to deposit account 06-1050.

Respectfully submitted,

Date: 12/28/06

  
Denis G. Maloney  
Reg. No. 29,670

Fish & Richardson P.C.  
225 Franklin Street  
Boston, MA 02110  
Telephone: (617) 542-5070  
Facsimile: (617) 542-8906